



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

January 9, 2009

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

STATUS UPDATE ON MULTI-COUNTY ELECTRONIC RECORDING SYSTEM

On April 1, 2008, your Board approved the use of \$730,000 from the Chief Executive Office (CEO) Information Technology Fund to allow Registrar-Recorder/County Clerk (RR/CC) to work in collaboration with other counties in the Southern California region (Orange, San Diego and Riverside) to jointly purchase and operate an electronic recording system to automate manual record keeping and to provide information sharing making it easier for the public and businesses to record and track real property records and other recorded documents. In addition, on October 28, 2008, your Board approved an additional \$1.00 fee on the recordation of real property documents to provide ongoing support for an electronic recording application and service pursuant to Assembly Bill 578 as well as the agreement for Los Angeles County to participate in the project. This is to provide you with a status update on the project.

The Registrar-Recorder/County Clerk is currently testing the interface with Orange County and expects the testing to be completed by January 15, 2009. In addition, RR/CC will be submitting a Multi-County application to the Department of Justice (DOJ) for system certification in early January. The Department of Justice has 90 days to approve/deny the request but can take longer at their discretion. If the certification is approved, RR/CC anticipates starting acceptance of electronically recorded documents in mid 2009. However, if the request is denied, RR/CC would have to make required changes and resubmit for certification.

The implementation of the electronic recording system will provide major service delivery enhancements. In terms of cost savings, the RR/CC has frozen positions in the Department's current fiscal year budget to help offset less than anticipated Recorder

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revenue. The new system also will result in a projected annual postage savings of approximately \$36,000. The first year postage savings projection is approximately 50% of the annual savings due to the implementation learning curve and based on Orange County's experience with the phased-in migration of participating title companies and financial institutions. The e-Recording will also provide process efficiencies that will result in ongoing real cost savings through reduction of overtime. Additionally, as part of the FY 2009-10 budget, CEO will work with RR/CC to identify the projected savings in staff costs.

As the partnership in this project expands, the annual maintenance cost for the joint owners (Los Angeles, Orange, San Diego and Riverside) will eventually decrease. Since the project inception, Santa Barbara County has joined as a partner and other counties are also interested in joining.

If you have any questions or need additional information, please let me know, or your staff may contact Deputy Chief Executive Officer, Ellen Sandt at (213) 974-1186.

c: Registrar-Recorder/County Clerk

WTF:ES:GS
JY:cg